STREAMLINING THE FINANCIAL CLOSE WITH THE SAP® FINANCIAL CLOSING COCKPIT

With the SAP® Financial Closing cockpit, you can accelerate your financial closing cycle through enhanced user efficiency, greater automation, and central monitoring and control. It lets you complete financial closes faster and more accurately while meeting regulatory requirements and financial reporting standards.

Many firms struggle with the financial closing cycle because its complex series of tasks must be executed on time and in the correct sequence to meet reporting deadlines. Typical closing cycles involve time-consuming manual tasks, such as journal entries, accruals, intercompany reconciliations, and the gathering of financial data from across different systems for consolidation and validation for final report production. In larger companies, the closing cycle can be even more complicated because the work of numerous people must be coordinated across different subsidiaries, divisions, time zones, and software systems. Each closing task must be performed correctly and in the proper sequence, or delays can result. Typically, these tasks are managed using spreadsheets. Although spreadsheets may help in identifying particular tasks and the time in which they need to be completed, they fail in their ability to enable scheduling, collaboration, monitoring, and control across various teams and locations.

Standardizing the closing cycle into a series of repeatable process steps and managing those steps in accordance with best practices and a tightly controlled schedule is key to achieving superior financial close performance. Additional performance improvement can be achieved by ensuring that close processes are consistent across organizational units while centrally monitoring their execution across the entire cycle.

SAP provides a comprehensive solution for streamlining the financial closing cycle, helping companies meet external requirements for accelerated reporting and internal mandates, to reduce financial closing-cycle costs and resource demands through improved collaboration and the automation of accounting entries, intercompany reconciliations, accruals, consolidations, and internal controls monitoring.

A key component of this solution is the SAP® Financial Closing cockpit, a robust graphical application designed for the purpose of standardizing the closing cycle and giving you greater control over the entire process. It provides task scheduling and automation, collaboration, and monitoring across the entire entity closing cycle for all companies within the group. It helps individual task owners collaborate more effectively via an intuitive, powerful interface through which they receive assignments and report their status. It also helps ensure that they perform their work on time and in the proper sequence, resulting in fewer errors and delays.

Standard reporting functionality in the SAP Financial Closing cockpit lets financial managers measure the efficiency of the closing cycle. The cockpit provides them with an intuitive visual environment containing a real-time view of every closing cycle task and its status (see Figure 1). In addition, financial managers can view the cycle from either a macro perspective (by presenting each task on a Gantt chart view) or a micro perspective (by allowing them to drill down on each task to view its status and other details). This greater transparency helps ensure that managers can detect problems such as overdue tasks and

resource bottlenecks early and correct them before they impact the schedule. Finally, enhanced reporting features capture detailed data on each task to compare planned performance to actual performance, to highlight areas where system performance adjustments may be required.

Automating the Closing Cycle

Companies often perform operations such as period-end accruals, allocations, and closing journal entries manually, which lengthens the closing cycle and increases resource demands and costs. The SAP Financial Closing cockpit is fully integrated with the SAP ERP Financials solution and provides automated task scheduling and execution within systems such as the SAP General Ledger application and various SAP ERP Financials

subledgers. The cockpit can trigger automated tasks to speed the closing cycle. Furthermore, many companies are challenged by complex system landscapes consisting of multiple ledgers and other source systems from different vendors. The SAP Financial Closing cockpit, in conjunction with the SAP Central Process Scheduling application by Redwood, provides you with the ability to automate tasks across both SAP and non-SAP software systems. Moreover, automated tasks and manual tasks are combined on the same schedule, for complete orchestration of the closing schedule.

Simplified Administration

The SAP Financial Closing cockpit provides an easy-to-use, template-driven environment that enables users to set

up and schedule the closing cycle (see Figure 2). It utilizes the intuitive SAP interface to enable financial professionals to create the closing schedule as a series of automated and manual time-based tasks. They can create tasks, assign them to task owners, or schedule them as automated jobs in various systems. They can also assign dependencies and help ensure that all tasks, manual or automated, are executed in the proper sequence.
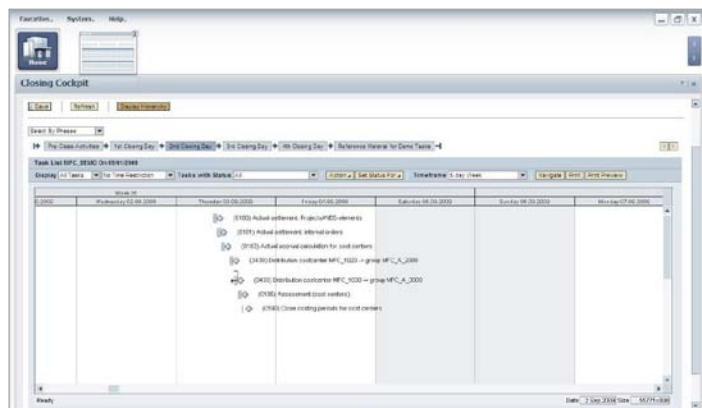
SAP Financial Closing Cockpit Business Benefits

The SAP Financial Closing cockpit provides your company with the ability to accelerate the financial closing cycle through enhanced user efficiency, greater automation, and central monitoring and control. The benefits include:
- Increased efficiency and greater control over the financial closing cycle

Figure 1: A Progressive View of the Closing Cycle with the SAP® Financial Closing Cockpit
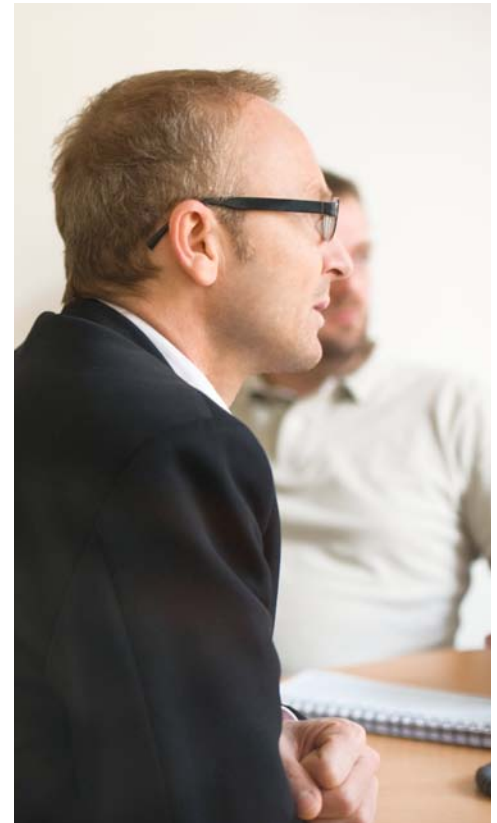
- Lower maintenance and administrative costs via standards-based, single-product solution, which is both powerful and intuitive
- Improved productivity through improved coordination and collaboration across distributed organizational units and through an intuitive display of dependencies across task owners, helping to ensure less time spent in communication lags and faster task execution
- Rapid time to deployment via simple configuration and powerful administrative tools
- Broad-scale deployment to all users across geographies and time zones via scalable, server-based, enterprise-class infrastructure
- Comprehensive storage ability, which records the history of all tasks performed and by whom, to support audits

Powered by SAP NetWeaver®

SAP ERP Financials, a solution within the SAP ERP application, is powered by the SAP NetWeaver® technology platform. SAP NetWeaver unifies technology components into a single platform, allowing organizations to reduce IT complexity and obtain more business value from their IT investments. It provides the best way to integrate all systems running SAP or non-SAP software.

Find Out More

If you would like to know more about fast-close solutions from SAP or the SAP Financial Closing cockpit, visit our Web site at www.sap.com/solutions /business-suite/erp/financials/topics /fast-close/index.epx.

The SAP Financial Closing cockpit helps you accelerate your financial closing cycle and meet regulatory requirements and financial reporting standards.

Figure 2: The Task List in Execution Mode, Which Allows Finance Professionals to Schedule and Execute Tasks, Check Dependencies, Review Results, and Set Task Status

Summary

The SAP® Financial Closing cockpit is a robust graphical application that gives you the ability to accelerate the financial closing cycle through enhanced user efficiency, greater automation, and central monitoring and control. You can streamline the closing cycle, completing financial closes faster and more accurately while meeting regulatory requirements and financial reporting standards and recording tasks for full audit support.

Business Challenges

- Execute a complex series of tasks on time and in the correct sequence to meet reporting deadlines
- Coordinate numerous people across different subsidiaries, divisions, time zones, and software systems
- Standardize the closing cycle into a series of repeatable process steps
- Ensure that close processes are consistent across organizational units

Key Features

- **Automated tasks** – Establish task scheduling and automation, collaboration, and monitoring across the entire closing cycle
- **Powerful, intuitive interface** – Collaborate more effectively
- **Intuitive visual environment** – View every closing cycle task and its status in real time
- **Standard reporting functionality** – Measure the efficiency of the closing cycle, overall or at a task-by-task level

Business Benefits

- **Increased efficiency and greater control** through standard reporting
- **Less maintenance and administration** thanks to single-product solution and Web-based administration
- **Improved productivity** through improved coordination and collaboration
- **Rapid time to deployment** with simple configuration and powerful administrative tools
- **Broad-scale deployment** with a scalable, server-based, enterprise-class infrastructure

For More Information

To learn more about SAP Financial Closing cockpit, call your SAP representative today or visit us on the Web at www.sap.com/solutions/business-suite/erp/financials/topics/fast-close/index.epx.